

IN THE CHANCERY COURT OF DAVIDSON COUNTY
IN THE TWENTIETH JUDICIAL DISTRICT OF TENNESSEE

STATE OF TENNESSEE, ex rel)	
PAUL G. SUMMERS, Attorney)	
General and Reporter,)	
)	
Plaintiff,)	
)	
v.)	No. _____
)	
BAKER & TAYLOR, INC. d/b/a)	
BAKER & TAYLOR BOOKS,)	
)	
Defendant.)	

COMPLAINT

The State of Tennessee, by the Attorney General & Reporter, Paul G. Summers, and at the request of the Director of the Division of Consumer Affairs of the Department of Commerce and Insurance, brings this action pursuant to Tenn. Code Ann. § 47-18-114 and seeks injunctive relief, civil penalties, restitution and other damages arising out of the unlawful scheme alleged herein. The State has reason to believe that the Defendant named herein has violated the Tennessee Consumer Protection Act of 1977, Tenn. Code Ann. § 47-18-101 *et seq.*, and that this action is in the public interest. The Defendants have agreed to accept service of process of this Complaint and waive any claims regarding defective service.

I. JURISDICTION AND VENUE

1. The jurisdiction of this Court is invoked pursuant to Tenn. Code Ann. §§ 47-18-101 and 16-11-102(a). Venue is proper in Davidson County because it is a county in which Defendant conducts or has conducted business. *See* Tenn. Code Ann. §§ 47-18-108(a)(3) and 20-4-104. Defendant has been provided with ten days notice of contemplated legal action as set forth in Tenn. Code Ann. § 47-18-108(a)(2). *See* Affidavit and Verification of David A. McCollum, Director, Tennessee Division of Consumer Affairs, attached as Exhibit 1 hereto.

II. PARTIES

2. Pursuant to Tenn. Code Ann. §§ 47-18-108(a)(1) and 47-18-114, this action is commenced in the name of the State of Tennessee, by Attorney General Paul G. Summers, at the request of the Division.

3. Defendant Baker & Taylor is a Delaware corporation with its headquarters at 652 East Main Street in Bridgewater, New Jersey, and at 2709 Water Ridge Parkway, #500, Charlotte, North Carolina. Since March of 1992, Baker & Taylor, Inc. is and has been a wholly owned subsidiary of Baker & Taylor Corporation (formerly known as Baker & Taylor Holdings, Inc.)(“BTC”). BTC is and has been owned by a group of private investors. During all times material to this action prior to its incorporation and sale in March 1992, Baker & Taylor was a division of W.R. Grace & Co. - Connecticut (“W.R. Grace”), which was in turn an indirect subsidiary of W.R. Grace & Co., a New York Corporation. At all times material to this action, Baker & Taylor has been engaged in the book wholesaling and distribution business within the State and throughout the United States.

III. TRADE AND COMMERCE

4. The activities of the Defendant alleged herein constitute the representation, marketing, offering, advertisement, promotion and/or sale of merchandise in or affecting trade or commerce in Tennessee, at all times material to this action.

IV. SPECIFIC ACTS AND PRACTICES

5. At all times material to this action, Baker & Taylor was and is a wholesaler and distributor of books to many state and local libraries throughout the State of Tennessee (referred to in his Complaint collectively as “libraries” or “library customers”). During that time, Baker & Taylor also distributed books to elementary, secondary and post-secondary schools throughout the State of Tennessee (referred to in this Complaint collectively as “schools” or “school customers”).

6. At all times material to this action, Baker & Taylor made price representations and negotiated various forms of pricing contracts with library and school customers in which it offered to agreed to sell certain categories of books to these customers at specified discounts from the publisher’s list price for the book.

7. Notwithstanding Baker & Taylor’s representations, Baker & Taylor did not provide to its customers the agreed upon specified discounts, which caused school and library customers to pay more for books than as specified in Baker & Taylor’s representations and contracts.

8. The Defendant's acts and practices, as alleged herein, constitute unfair or deceptive acts or practices in violation of the Tennessee Consumer Protection Act, Tenn. Code Ann. § 47-18-101 *et seq.*

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff prays that judgment be entered in its favor:

(1) That this Complaint be filed without cost bond as provided by Tenn. Code Ann. §§ 20-13-101, 47-18-108, and 47-18-116.

(2) That this Court adjudge and decree that the Defendant has engaged in the aforesaid acts or practices, which are in violation of the Tennessee Consumer Protection Act.

(3) That this Court enjoin Defendant from engaging in the aforesaid acts and practices, which are in violation of the Tennessee Consumer Protection Act.

(4) That this Court adjudge and decree that the Defendant is liable to the State for the reasonable costs and expenses of this investigation and prosecution, including attorneys' fees, as provided in Tenn. Code Ann. §§ 47-18-108(a)(5) and (b)(4).

(5) That this Court make such orders or render such judgments as may be necessary to restore to any consumer or other person any ascertainable losses suffered by reason of the alleged violations of the Tennessee Consumer Protection Act.

(6) That all costs in this cause be taxes against Defendant.

(7) That this Court grant Plaintiff such other and further relief as this Court deems just and proper.

Respectfully submitted,

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